

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

December 20, 2006

Neil Bradshaw, for Neil Bradshaw 9 North Cove Drive P.O. Box 1054 Cedar City, Utah 84720

Subject: Request for Surety Document Letter of Credit (LOC), Neil Bradshaw,

Trees #1 & 2 Mine, M0010068, Beaver County, Utah

Dear Mr. Bradshaw:

In late November 2006, Ms. Beth Ericksen, Surety Coordinator, was working with the State Bank of Southern Utah on the letter of credit (LOC) in the amount of \$11000.00 as reclamation surety. As of today, the Division has not received any information from the bank adding the Division as co-beneficiary to the BLM administered LOC. Please contact the bank and ask that:

- The LOC is amended to include the State of Utah, Division of Oil, Gas and Mining as co-beneficiary;
- A copy of the original LOC and the amendment is sent to the Division

The Division regulatory requirements state that a separate reclamation surety is not required where a reclamation surety in a form and amount is held by other governmental entities provided that the cost estimate is accurate and the Division is named as co-beneficiary.

The Division can take no further review action until this important document is received. Please ensure this action gains your prompt attention so this permit is in compliance with state regulatory requirements.

In addition, please work with Mr. Tom Munson (801) 538-5321 to determine if the \$11000.00 reclamation surety amount is consistent within the terms of the permit.

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For Surety questions, please contact Beth Ericksen, (801) 538-5318 or bethericksen@utah.gov and for permit questions, please contact Mr. Tom Munson (801) 538-5321. Thank you in advance to your prompt attention to this important regulatory requirement.

Sincerely, Juran M. White

Susan M. White Mining Program Coordinator

Minerals Regulatory Program

SMW:BE:pb

cc:

Tom Munson, DOGM Beth Ericksen, DOGM

T. Andersen, State Bank of Southern Utah (Tandersen@sbsu.com)
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